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Bill Zule

Q/R

18 July 1959

MEMORANDUM FOR: Legislative Counsel

SUBJECT: H.R. 176, "Federal Construction Contract Procedures Act"

1. You have requested comments on the above-entitled bill. This bill is similar to others that have been introduced in previous Congresses. While the bill would apply to this Agency, and thus affect its construction contract procedures, it is my opinion that the effect would be minimal on us as compared with other agencies engaged in much larger construction programs. Consequently, I believe that we should not comment on this bill but should rely on GSA and DOD to take whatever action they believe appropriate.

2. This bill does not cover construction contracts estimated to involve less than \$100,000. Hence, our contracts affected would be small in number. The procedures proposed by this bill are for the general purpose of regulating the relationships and the bidding as between prime and subcontractors in connection with invitations to bid on government construction contracts. Sharp practices in the industry would be minimized and thereby it is thought that the government would receive lower bids by obtaining the full benefit of competitive subcontract prices. These purposes seem unobjectionable, and there appears to be nothing in the administrative procedures established by the bill which would cause difficulty to this Agency insofar as practical application is concerned.

Assistant General Counsel

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